U.S. CUSTOMS & BORDER PROTECTION
TRADE INFORMATION NOTICE

NUMBER:
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SUBJECT:	Solicitation of Applications to Operate a Centralized Examination Station
DISTRIBUTION:	Customhouse Brokers, Importers, Carriers, Terminal Operators, Bonded Warehouse Proprietors, CFS Operators, CES Operators, Filers, Importers, and Other interested Parties.

1. Purpose

This is to advise the importing community that a) the selection process for at least one Centralized Examination Station (CES) in the Port of St. Louis is open, and b) to provide guidelines for the application process.

2. Scope

This solicitation is for applicants within the jurisdiction of the Port of St. Louis. Specifically, applicants must be geographically located within the Port Limits. The length of the CES agreement will be three (3) years from the date of the written agreement.

The Port Director has determined no more than two (2) total CES facilities are required in the jurisdiction to best meet the examination requirements of U.S. Customs and Border Protection (CBP), facilitate the movement of cargo in the Port, and provide competitive service to the trade community.

3. Background

On January 22, 1993, the Federal Register published a final rule amending Chapter I of the Code of Federal Regulations (CFR) enacting 19 CFR 118, "Centralized Examination Stations," effective February 22, 1993. This change was a result of U.S. Customs (now U.S. Customs and Border Protection) efforts to improve productivity and service by focusing resources and minimizing travel time required to perform cargo examinations at multiple facilities within a port of entry.

A CES is a privately operated facility where imported cargo or cargo to be exported designated by CBP for physical examination is made available for inspection. The importer, carrier, exporter or its agent is responsible for choosing which CES is to be utilized for examination, arranging the bonded transfer of the merchandise to the CES, and paying the costs of the transfer, as well as any fees charged by the CES facility for its service.

Since the first selection period for the CES program in 1994, U.S. Customs (now U.S. Customs and Border Protection) has increased its reliance on information technology and non-intrusive inspection procedures to more selectively examine shipments entering the United States. As a result, the number of physical examinations required has decreased. While the quantity of inspections will fluctuate, CES applicants should realize that a minimum number of examinations are not guaranteed. The trade community, which designates its CES of choice, will substantially determine the workload at each CES, should more than one be selected.

The Department of Labor has concluded that all CES written agreements are subject to the Service Contract Act (SCA) and the Federal Acquisition Regulations (FAR). The purpose of the SCA is to:

- Ensure workers are fairly compensated
- Ensure workers receive adequate fringe benefits
- Ensure workers have safe and sanitary working conditions

The SCA requires all contracts subject to its terms to include certain clauses from 41 USC 351 et seq.

Responsibilities of a CES operator:

The applicant tentatively selected to operate a CES must sign a written agreement with CBP before commencing operations (19 CFR 118.3). As outlined in 19 CFR 118.4, any approved CES operator agrees to:

(a) Maintain the facility designated as the CES in conformity with the security standards as outlined in CBP Security Policies and Procedures Handbook (this is from the Cargo Facility Design Standard)
(b) Provide adequate personnel and equipment to ensure reliable service for the opening, presentation for inspection, and closing of all types of cargo designated for examination by Customs. Such service must be provided on a "first come-first served" basis as prescribed by 19 C.F.R. §118.46;
(c) Assess service fees as outlined in the fee schedule included in the approved application or as changed under §118.5 of this part and bill users directly for services rendered;
(d) Assume responsibility for any charges or expenses incurred in connection with the operation of the CES;
(e) Maintain, at his own expense, adequate liability insurance with respect to the property within his control and with respect to persons having access to the CES;
(f) Keep current the list filed with the port director pursuant to §118.11(f) of this part. Additions to or deletions from the list must be submitted in writing to the port director within 10 calendar days of the commencement or termination of employment;
(g) Maintain a Customs custodial bond in an amount set by the port director. The CES operator will accept and keep safe all merchandise delivered to the CES for examination. The bond will include liability for transporting merchandise to the CES from within the district boundaries (see definition of "district" at §112.1); such liability is assumed by the CES operator when he picks up merchandise for transportation to his facility. The operator also agrees to increase the amount of the bond if deemed appropriate by the port director.
(h) Maintain and make available for Customs examination all records connected with the operation of the CES in accordance with part 162 of this chapter and retain such records for a period of not less than five years from the date of the transaction or examination conducted pursuant to the agreement to operate the CES;
(i) Submit, if requested by Customs, the fingerprints of all employees involved in the CES operation;
(j) Provide office space, parking spaces for both personal and government vehicles, appropriate sanitary facilities, and safe drinking water to Customs personnel at no charge or a charge of $1 per year; Office space shall meet the requirements provided in the space requirements matrix attached and the room data sheets provided in the Cargo Facility Design Standard. Office space and support spaces shall be located near examination areas and be accessed only by CBP personnel.
(k) Perform in accordance with any other reasonable requirements imposed by the port director.
(l) Provide transportation for merchandise to the CES from within the district boundaries (see definition of "district" at §112.1). This responsibility is optional. If the CES operator chooses to provide transportation, he shall receipt for the merchandise when he picks it up and assume liability for the merchandise at that time.
(m) Ensure that the CES facility complies with all applicable Occupational Safety and Health Act (OSHA) requirements; and

(n) Comply with all applicable federal, state, and local laws, ordinances and/or regulations, as they would apply to the fulfillment of the responsibilities and service provisions as designated CES operator.

(o) Provide written notification to the Area Port Director within 10 calendar days of learning that the proposed CES operator, or any other officer, managing official or person that the Area Port Director determines is exercising substantial ownership or control over such operation or officer, is indicted for, convicted of, or has committed acts which would constitute a felony, or misdemeanor involving theft or a theft related crime.

4. Action

Application Process

All interested parties must submit the attached CES Application Form (Appendix A) and Fee Schedule (Appendix B). All applications must include all information specified under the heading "Application Contents," which immediately follows this section, in order to receive consideration. Applications must be completed fully and received within 60 calendar days from the date of this issuance. Applications not received postmarked by the end of 60-days following the date of this solicitation will not be considered. Applications found to be incomplete may not be considered.

During the first 30 days of this 60 day period, the public may submit written comments relevant to the CES program to the Port of St. Louis. At the end of the 60-day application period, CBP will publish a list of applications, including names, facility addresses, fee schedules, equipment and numbers of employees. At that time the public will again have 30 days in which to submit written comments to the Port of St. Louis.

At the conclusion of this second 30 day period, all applications and comments will be reviewed and evaluated and tentative selections will be made. Materials received from the public during the comment period may be used in evaluating and selecting a CES(s). All applications and comments should be addressed to:

Area Port of St. Louis
U.S. Customs and Border Protection
4349 Woodson Rd., Suite 201
St, Louis, Missouri 63134-3716
Attn: Assistant Port Director Christopher Burford

Application Contents:

Each application to operate a CES shall consist of the following information as required by 19 CFR 118.11. Any application not providing all of the specified information will not be considered. The responses to paragraphs (b), (c), (d), (g) and (h) of this section shall constitute the criteria used to judge the application:

(a) The name and address of the facility to be operated as the CES, the names of all principals or corporate officers, and the name and telephone number of an individual to be contacted for further information;

(b) A description of the CES's accessibility within the Port or other location, and a floor plan of the facility actually dedicated to the CES operation showing bay doors, office space, exterior features, security features, and staging and work space with square footages;

(c) A schedule of fees clearly showing what the applicant will charge for each type of service. This schedule should include, but not be limited to fees for the cost of:

- Container charges for a full devan and reload, partial devan and reload, and closing a container only
- LCL freight charges, i.e., cartons, crates, pallets, bales and drums
- Special commodities such as garments on hangers
- Drayage charges for moving containers, including rail cars and trailers
- Facility charges for enforcement examinations performed with CBP labor only
- Container, railcar and trailer storage charges
- Charges for refrigerated container hookups
- Any additional charges such as overtime or weekend rates

Subject to any special costs incurred by the applicant such as facility modifications to meet specific cargo handling or storage requirements or to meet CBP security standards, the fees set forth in the schedule shall be comparable to fees charged for similar services in the area to be served by the CES;

(d) A detailed list of equipment showing that the applicant can make a diverse variety of cargo available for examination in an efficient and timely manner;
(e) A copy of an approved custodial bond on CBP Form 301. If the applicant does not possess a custodial bond, a completed Customs Form 301 must be included with the application for approval as a prerequisite to selection. The minimum bond amount required by the Port Director is $100,000.00;
(f) A list of all employees involved in the CES operation setting forth their names, dates of birth, and social security numbers (providing social security numbers is voluntary; however, failure to provide the number may hinder the investigation process);
(g) Any information showing the applicant's experience in international cargo operations and knowledge of CBP procedures and regulations;
(h) Any other information to address any local criteria that the Port Director considers essential to the selection process based on Port conditions.

Minimum Requirements and Evaluation:

All CES applicants must meet certain minimum standards in order to have their application considered. Failure of a CES applicant to meet the minimum standards will preclude further consideration of the application.

The Port of St. Louis has developed specific criteria for CES applicants. Evaluation of applicants' ability to meet these criteria will be based on the applicant's submission as referenced in 19 CFR 118.11 (see Application Contents above). Additional consideration will be given to those applicants who exceed the minimum required standards as well as the evaluation criteria.

The applicant should be aware that CBP facility needs may change and the applicant should be prepared to meet those needs as determined by the Area Port Director.

Minimum Standards:

All applicants must meet the following minimum criteria for CES consideration:

1. An applicant must have an existing operation and a facility with the capability of handling a large volume of cargo and holding cargo intact. If significant capital expenditure would be required in order for an existing facility to meet security or other physical or equipment requirements necessary for the CES operation, an applicant may request in the application time to conform the facility to such requirements. The Port Director may grant up to 60 days from the date of the signing of the CES tentative agreement to bring the facility into conformity with CBP requirements. Once completed, the actual agreement can be signed.
2. Proposed CES facilities must meet or exceed the minimum security standards outlined in the Foreign Trade Zone Manual, Appendix B "Standards for Cargo Security" (attached) and CBP Security Policies and Procedures Handbook. This will include Physical Access Control System (PACS), Intrusion Detection System (IDS). And Closed Circuit Television (CCTV). (Please note, these security standards are a 2016 update that replace T.D. 72-56)
3. Close proximity/accessibility of the CES location to the on-site CBP CES Office
4. Access to required cargo bay doors.
5. Provide labor during normal CBP working hours
6. Trained and knowledgeable staff to handle HAZMAT
7. First Aid and eye wash station available for CBP use.
8. Ability to accommodate various type of freight.
9. Separate male/female sanitary facilities available for CBP use.
10. Sanitary facilities must be equipped with running hot and cold water.

11. Break room facilities for CBP use.
12. Regular maintenance must be provided on office and sanitary facilities, such as trash picked up and bathrooms cleaned.
13. At least 2 designated CBP parking spaces.
14. Secure tool storage and work area equipped with workbench, electrical outlets and lighting.
15. Examination and Physical Inspection area that is large enough to accommodate the various types of cargo being presented by the operator and adjacent to cargo holding areas. Final size determination made by CBP. This space should be dedicated CBP inspection space that is
16. Cargo Detention Area that will accommodate any cargo received by the operator and be isolated from other inspection holding areas. This area should be close to the Cargo Examination and Physical Inspection Area. The area shall be enclosed in 10-gauge mesh chain link with ceiling of same material. The doors shall also be of 10-gauge mesh chain link. The detention area may only be accessed by CBP personnel. Appropriate signage must be posted on all access points notifying all persons that access to the detention area is restricted to CBP personnel. Final size determination of the Cargo Detention Area will be made by CBP.
17. Access to Wi-Fi.

CES Evaluation Measures:

A CBP team will visit proposed sites and rate applicants utilizing a standardized rating system. The following criteria will be used to evaluate CES applicants who have successfully satisfied the minimum standards for selection as a CES:

1. Distance and accessibility of CES site from Customhouse, major highways and points of cargo discharge.
2. Accessibility for movement and positioning of containers at bay doors or apron positions.
3. Cargo space which exceeds minimum standards, including:
   (a) Number of container positions
   (b) Total space available for cargo stripping
   (c) Average space behind cargo bay doors
   (d) Examination space beyond minimum
   (e) High security storage space for seizures/detentions
   (f) Fenced container storage capacity
4. Security features that exceed the minimum standards outlined in Physical Security guidelines for Bonded Facilities. This will include Physical Access Control System (PACS), Intrusion Detection System (IDS) and Closed Circuit Television (CCTV) where considered necessary and appropriate.
5. Lighting and electrical outlets immediately adjacent to container positions.
6. Specialized equipment available to allow the CES operator to present a diverse variety of cargo for examination.
7. Physical barrier separation between CES and other cargo.
8. Availability of CES labor outside normal operating hours (0800-1630).
9. Office space and accommodations for CBP personnel, in excess of minimum standards, including:
   (a) Additional square footage of dedicated CBP office space
   (b) Separate office facilities for Supervisory Inspectors. Minimum of 150sf.
   (c) Extra phone/fax/computer lines
   (d) Additional ability to facilitate CBP operational needs (locker room, lockers, showers, lunchroom, furniture, sanitary facilities, parking, etc…)
10. Experience in international ocean cargo operations.
11. Accommodations for CBP's enforcement tools, including:
   (a) Fixed-site pallet X-ray system (space, electrical, heating)

(b) Secure parking for mobile X-ray van (heated or unheated)

12. Training and personnel to handle HAZMAT.
13. First aid equipment available for CBP use.
14. Ownership/Lease arrangements of CES facility.
15. Charges or fees other than those connected with the examination of a 40-ft container will be reviewed during the evaluation process. If any of these fees are deemed excessive, that fact may be considered in selection.

Applicants should be aware that their designation of CES status covers only the facility described in their application. If any successful applicant changes the location of their facility during the three (3) year term of their agreement without prior approval and coordination from CBP, their status as a CES is terminated.

All applicants must submit a corporate resolution authorizing the signatory to act on behalf of the corporation. Any false statement on the application may result in disqualification and possible prosecution under the provisions of 18 USC 100.

All applicants are strongly urged to read 19 CFR 118 to obtain a full understanding of CBP expectations of a Centralized Examination Station applicant and operator. Following the 60-day announcement period, applications will be reviewed for completeness and adherence to the specified information required. Applications not received postmarked the end of that 60-day period will not be considered. Applications found to be incomplete may not be considered.

Successful applicants must agree to become a member of C-TPAT when the program is expanded to include warehouse proprietors.

Any questions concerning the application process may be directed to Christopher Burford, Assistant Port Director at 314 429-8100 ext. 117.

Attachments:
Application Form
Fee Schedule
Standards for Cargo Security